



U.S. FISH AND WILDLIFE SERVICE TRANSMITTAL SHEET

PART	SUBJECT	RELEASE NUMBER
264 FW 1, 2, and 5	Finance Cost Recovery and Cost Allocation - Policy and Responsibilities	386
FOR FURTHER INFORMATION CONTACT Division of Finance	Recovery of Full Costs/Reimbursable Agreements Exceptions to Cost Recovery Policy	DATE January 16, 2002

EXPLANATION OF MATERIAL TRANSMITTED:

These chapters update and define Service policy and procedures on recovery of full costs. Chapters 3 and 4 are reserved for additional guidance.

Acting

Deputy

DIRECTOR

FILING INSTRUCTIONS:

Remove:

264 FW 1, 12/30/96, FWM 286 (1 sheet)
264 FW 2, 12/30/96, FWM 286 (1 sheet)
Exhibit 1, 264 FW 2, 12/30/96, FWM 286 (1 sheet)

Insert:

264 FW 1, 01/16/02, FWM 386 (1 sheet)
264 FW 2, 01/16/02, FWM 386 (2 sheets)
None
264 FW 5, 01/16/02, FWM 386 (2 sheet)

**FISH AND WILDLIFE SERVICE
FINANCE**

Finance

Part 264 Cost Recovery

Chapter 5 Exceptions to Cost Recovery Policy

264 FW 5

5.1 What does this chapter include? The definition, standards, and procedures for receiving an exception to Service policy on cost recovery.

5.2 How is an exception to policy different from a waiver? As of October 10, 2000, waivers no longer exist in the cost recovery policy. An exception to Service policy is a solution for any item that the policy does not cover.

5.3 What cases may warrant an exception to policy? Agreements where the Standard Rate and/or any of the rates mentioned in 264 FW 2 are not appropriate for a reimbursable agreement.

5.4 What documentation do I submit to request an exception for a reimbursable agreement?

A. Obtain a project number from the Service Finance Center and complete FWS Form 3-2058 (Reimbursable Agreement Data Form) (see 267 FW 1).

B. Prepare an exception to policy package that includes:

- (1) Cover memorandum.
- (2) FWS Form 3-2208 (Exception to Cost Recovery Policy).
- (3) FWS Form 3-2058 (Reimbursable Agreement Data Form).
- (4) Other supporting documentation.

5.5 What is the approval process for an exception affecting a reimbursable agreement?

A. The Director must approve all exceptions to the cost recovery policy.

B. Once you complete the appropriate paperwork in accordance with paragraph 5.4, submit exceptions through the Regional Director or Washington Office Division Chief.

C. The following Regional Office staff must sign Form 3-2208. The Regional Director may attach supplemental information via the cover memorandum.

- (1) Program Assistant Regional Director.
- (2) Assistant Regional Director - Budget and Administration.
- (3) Regional Director.

D. Forward request packages to the Division of Finance, Washington Office, for verification of cost analysis. To expedite the signature process, the Division of Finance will submit a copy of the package to the affected Washington Office Division Chief for surname. The Chief, Division of Finance must sign Form 3-2208.

E. The Division of Finance will forward request packages to:

(1) The Division of Budget to ensure that budgetary ramifications are recorded for inclusion in Servicewide budget calculations. The Chief, Division of Budget must sign Form 3-2208.

(2) The Assistant Director - Budget, Planning and Human Resources for concurrence and signature.

(3) The Assistant Director - Business Management and Operations for concurrence and signature.

(4) The appropriate Assistant Director or Chief, National Wildlife Refuge System for concurrence and signature.

(5) The Director, through the Correspondence Control Unit, for approval. Requests may be remanded to any previous level for further consideration.

F. Upon approval or disapproval by the Director, the Division of Finance will distribute copies to the requesting office, the Service Finance Center, and the appropriate Regional Office.

5.6 Are permanent exceptions to policy available?

A. The Director will only approve permanent exceptions if they affect a large number of future agreements. Individual requests for an exception to policy are not necessary if covered by a permanent exception; however, documentation to the Service Finance Center must clearly identify the permanent exception.

B. For reference purposes, the Division of Finance will distribute copies of approved permanent exceptions to all Regional budget and finance officers.

5.7 What about multi-year agreements?

A. Multi-year agreements requiring an exception to policy must clearly state the appropriate years of coverage.

B. If the years of coverage do not correspond with charges received by the Service Finance Center, the Service Finance Center will inform the requesting party that an updated exception is required.

C. If an updated exception is not received within 90 days, the Service Finance Center will bill the agreement with the addition of the standard rate. See 264 FW 2.

5.8 How long are exceptions for appropriations and/or accounts valid? An approved exception is valid for 2 fiscal years unless the Director specifies otherwise.

5.9 What about annual reporting? 346 DM 1 requires that documentation of exceptions to the cost recovery policy accompany the Service's annual report.